



ROSY BLUE

MORE THAN DIAMONDS



2018
—
CSR Report



Our 10th CSR report: more than a decade of organized sustainability.

Rosy Blue has been focusing on the issues the SDG's address for some time before the United Nations launched the agenda.



During the past decade, our company has made good progress on its journey towards establishing more robust and long-term foundations for our sustainability activities.



And we have come a long way. Social and environmental matters, we are exceeding since many years with the highest possible standards. Some business and product related challenges have crossed

our path, like synthetic contamination, traceability, Know Your Supplier requirements. But we managed to control one by one of these challenges in the course of time.

Still more is left to do.

Looking at 2030 it is clear that only progress is not sufficient. To achieve transformational sustainability, everyone in the industry needs to look beyond their own operations, beyond their own supply chain and beyond business-as-usual.

We are hoping, once more, to pull our colleagues and competitors along in this adventure.



To achieve transformational sustainability, everyone in the industry needs to look beyond business-as-usual. ”

Ravi Bhansali
MANAGING DIRECTOR
ROSY BLUE NV

Russell Mehta
MANAGING DIRECTOR ROSY BLUE
INDIA PVT. LTD.

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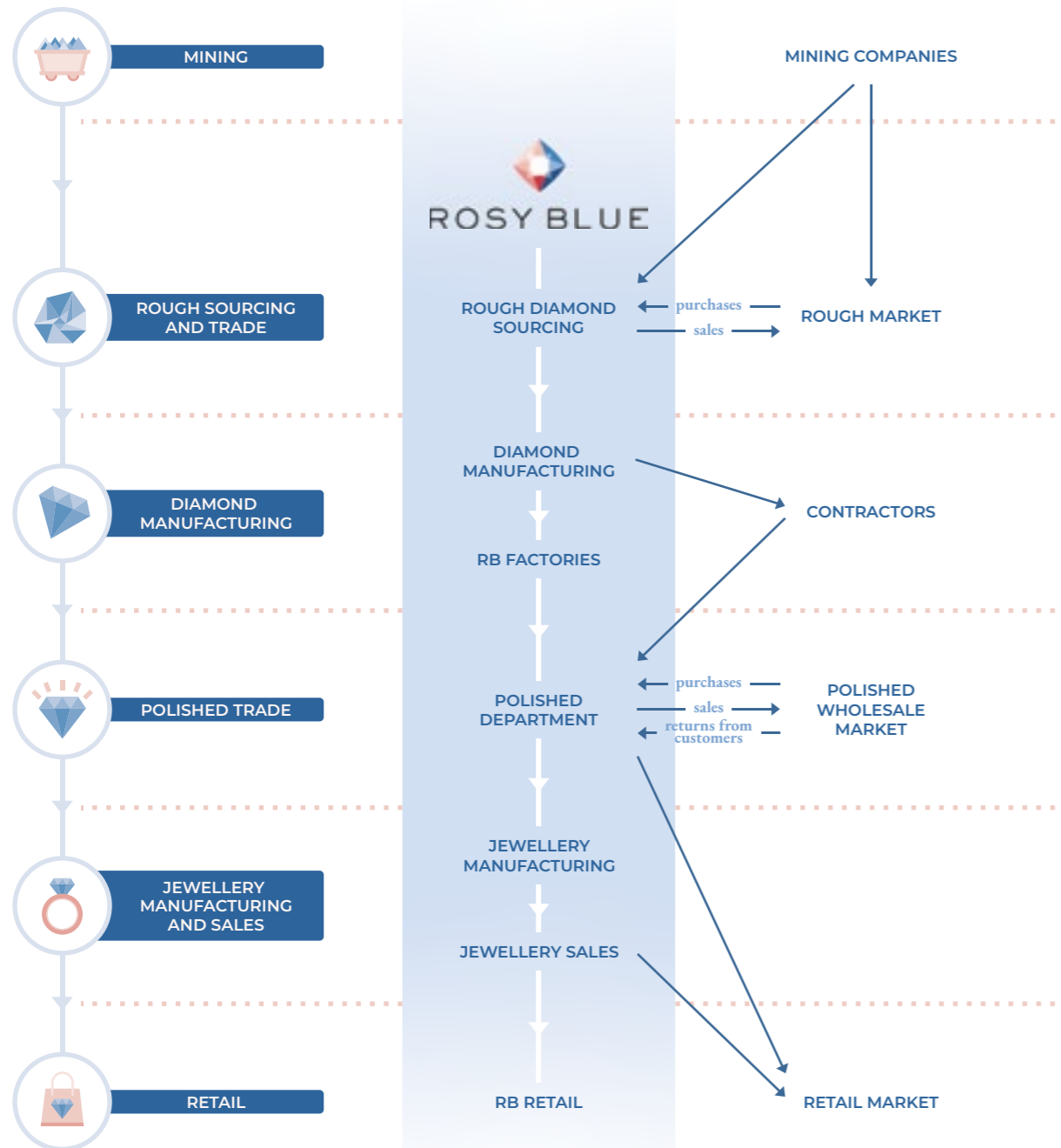
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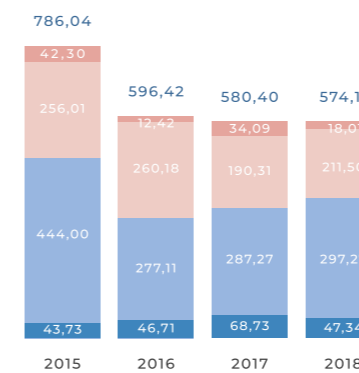
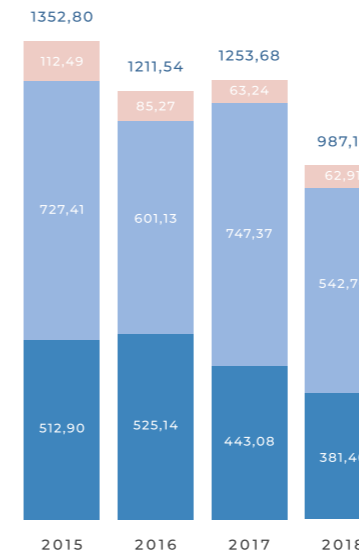
Rosy Blue's position in the diamond supply chain

Rosy Blue began trading as B Arunkumar more than 50 years ago and continues to be a leading, trusted and successful player in the global diamond industry. Today Rosy Blue is a big brand, composed of 2 companies that are active in the same activities and share the same name. Each of these companies is composed of several entities that operate in 11 countries around the world.

Rosy Blue's position in the diamond supply chain.



Turnover



Legend:
 ◆ ROUGH ◆ POLISHED
 ◆ JEWELLERY ◆ RETAIL
 'in million dollars'

Rough sourcing & trade

Our relationship with the world's premier diamond mining companies, including the De Beers Global Sightholder Sales (DBGSS), Alrosa and Dominion Diamond Corporation, enables us to assure our client a regular supply of rough diamonds well into the future. We participate in all major tenders and auctions. Our globally spread sourcing team also buys from all rough trading centers and across a full range of goods, but only from known and trusted suppliers. We are extremely careful with every rough diamond that we buy, conflict-free and human rights abuse-free source. Depending on our own needs in polished stones, we trade the rough that will not be sent for manufacturing.

Our core business: diamond manufacturing

Our manufacturing centres combine the traditions of diamond craftsmanship with the most advanced polishing technology and highest technical standards. We manage our production with an advanced series of internal

control mechanisms to drive quality and maintain the integrity of the pipeline. Because of the large proportion of in-house manufacturing, we can guarantee transparent and respectable practices. Our production ranges from rounds (from 0.005pts to 10cts+) to calibrated princess diamonds (from 0.03pts to 10cts+) as well as a wide variety of fancy shapes.

Polished trade

By combining our own manufactured diamonds with polished stones sourced from the open market, we ensure a consistent depth of inventory. Our clients for polished stones are a diverse group, ranging from the world's most prestigious international brands to large chain retailers catering to every price point, as well as small, speciality jewellers.

We have teams of key account managers across the world buying and selling specific weights and qualities of polished stones. These specialists are in continuous, open communication with our rough diamond procurement operations, to quickly pass on details of a customer's requirements. This is how we tailor our rough procurement as tightly as possible to the real-time demands of our customers, creating a responsive and client-centred pipeline.

Jewellery manufacturing and sales

Intergold is the jewellery manufacturing arm of Rosy Blue India. Our marketing and distribution network spreads across the globe, with special expertise in the United States, Europe, Japan and Asia Pacific. Each zone is backed by a local service desk.

Our retail brand ORRA in India

ORRA is one of India's finest jewellery retail chains, having spread its glow with 33 stores across 21 cities.

Over the years, the brand has been able to create a niche for diamond and platinum jewellery in a market that was otherwise been dominated by a strong preference for gold. Innovation was the celebrated ORRA Crown Star, a 73 facet solitaire v/s the regular 57 facets. These facets are aligned in perfect proportion to provide maximum brilliance. The accuracy with which the diamond is cut gives it an unmatched brilliance.



OUR GLOBAL PRESENCE:

Activities & People

Our global presence: activities & people



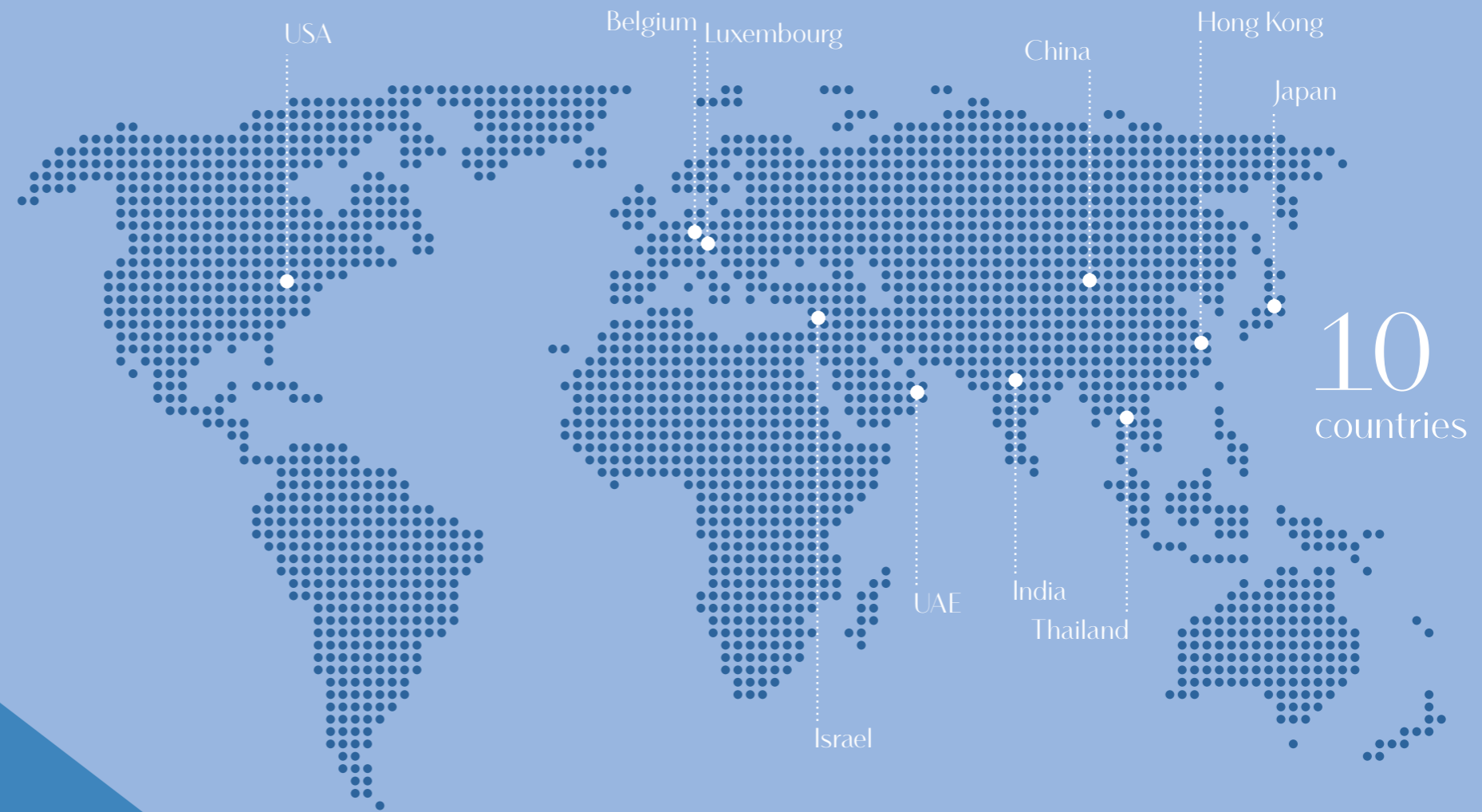
2557 people



4 manufacturing plants

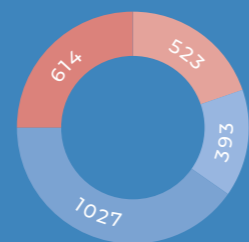


149.765 carats polished diamonds produced

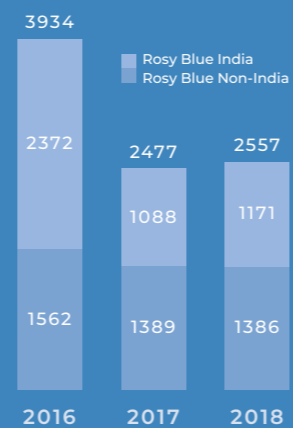


People by country

	Blue Collar		White Collar		Total 2018
	♂	♀	♂	♀	
Belgium	0	5	35	20	60
China	68	241	17	48	374
Hong Kong	1	1	16	25	43
India	7	6	810	304	1127
Israel	0	3	12	10	25
Japan	0	0	18	24	42
Thailand	296	263	70	138	767
UAE	21	4	19	8	52
USA	0	0	30	37	67
					2557



Workforce evolution



Activities by country

	Rough diamond trading	Diamond manufacturing	Polished diamond trading	Jewellery manufacturing	Jewellery sales	Retail	Holding company	Administration
Belgium	■		■		■			■ ■
China		■	■	■				■
Hong Kong	■ ■		■ ■	■	■		■	■
India	■	■	■	■	■	■	■	■
Israel	■		■					■
Japan			■		■			■
Luxembourg							■	
Thailand		■						■
UAE	■ ■		■ ■		■			■ ■
USA			■		■ ■			■ ■

■ Rosy Blue India
■ Rosy Blue Non-India

Sustainability Approach

Rosy Blue has engaged in a sustainability journey since many years. In 2016 we started including the Sustainable Development Goals in our strategy. First we used the SDG's as a framework for defining materiality, but now we are moving towards a more transformational approach.

Every year we assess the impacts we have or can have in every goal, in our own operations or in our sphere of influence. This tight cross-analysis amounts to identify touch points between our company and the 17 SDGs. The methodology we used for this evaluation was a self-assessment. The compliance team together with top management of the company went through an extensive questionnaire with different sub goals per SDG. We ranked the (sub)goals where we believe to be doing above average as positive. Where we could be performing better, we ranked as negative.

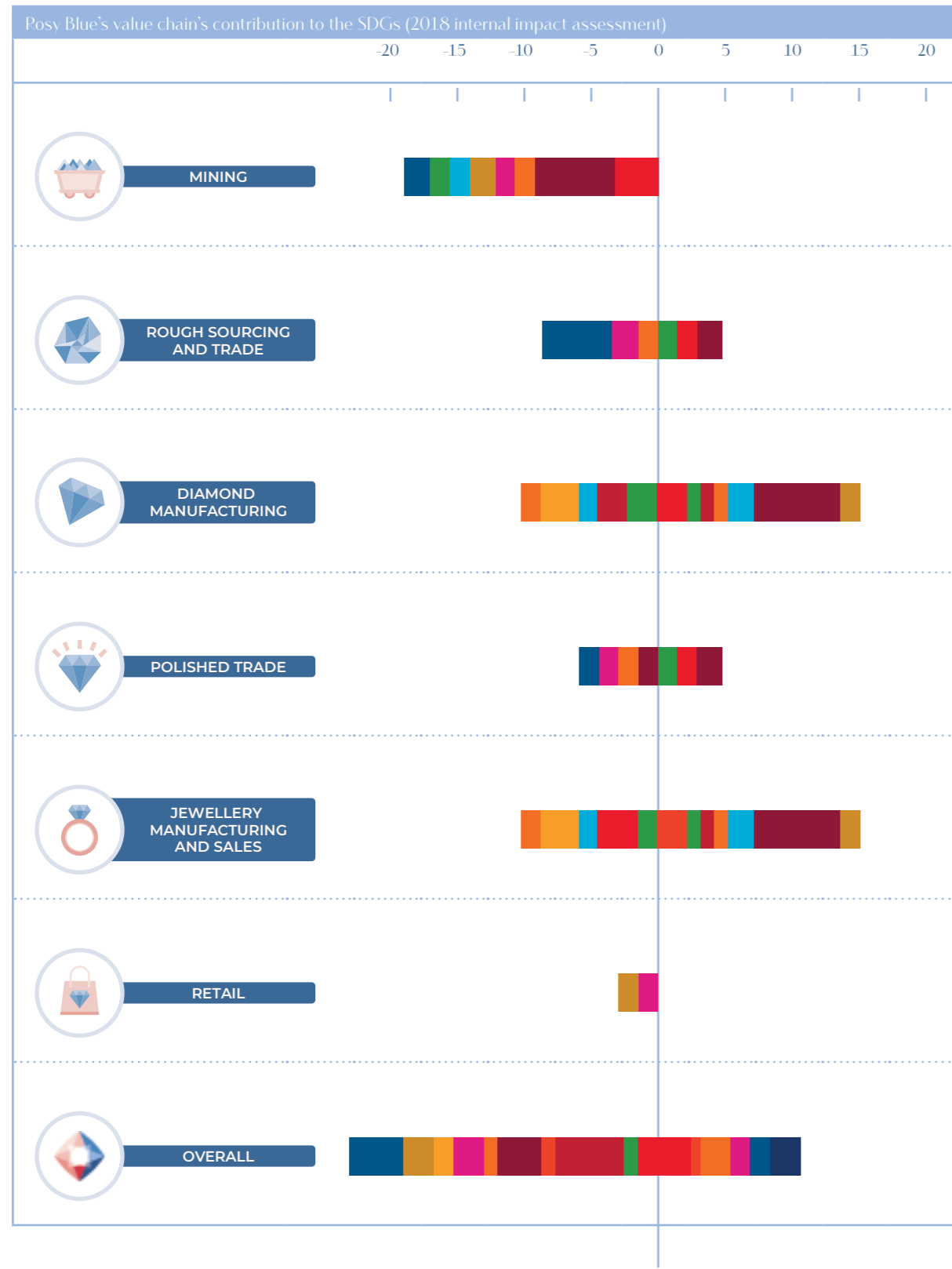
After this exercise we decided to see for every goal, in which stage of the diamond supply chain we can influence most the solutions sought. We found that in our own operations, in our manufacturing activity, we can already make a positive difference. However, still, opportunities are to be explored. And especially in the mining activity we acknowledge there are opportunities where we can have an influence.

SDG Impact Mapping 2018

Our self-assessment of SDG impacts led to the conclusion that we can bring a meaningful contribution to almost all (14 out of 17) SDG's. The matrix below shows our company's perception (inside-out) where we believe our impact is positive, where there is still room for improvement, and in which proportion.



Each positive contribution or challenge to specific SDGs has been allocated along our value chain. The matrix is now shown per activity.



Read more at: undp.org/content/undp/en/home/sustainable-development-goals.html

SDG Matters 2018

From a corporate credibility perspective, it is important to employ metrics that are seen as reliable indicators for lasting, sustainable results – especially in the context of the SDGs, since these goals emphasize actual transformational change. If we would only measure and report inputs, activity progress and outputs (e.g., number of trees planted, boreholes dug, solar lamps distributed), they are not doing justice to the impacts of their efforts. Also, emphasizing outcomes and impacts can provide insights that may lead to changing not only assessment criteria, but also investment decisions. Using outcomes and impacts as the main measure of success will help ensure that corporate efforts are working toward creating meaningful change needed.

Some examples of specific SDG projects in 2018–2019



Securing our supply chain

We are working to implement a customer protection center of excellence in order to secure our supply chain for 100% to our customers. Even our goods coming from internal manufacturing, where the risk for synthetic contamination is very low to non-existent, will be tested 100% when coming into our office. We are creating an incoming quality control, to make sure our polished inventory is guaranteed natural.



Carbon reduction & energy efficiency

Rosy Blue has conducted energy audits with our environmental partner, the Carbon Trust at manufacturing sites in India and China. Our objective is carbon reduction and energy efficiency. Energy audits are fundamental in order to encourage the business to deliver reductions. Energy Management training was rolled out to other sites across the Group. More details are given in the chapter on environment.



Industry traceability project

Rosy Blue contributed to De Beers' TRACR project. Tracr is blockchain platform to track a diamond's journey digitally from mine to retail.

When fully operational, Tracr will provide consumers with confidence that registered diamonds are natural and conflict-free, improve visibility and trust within the industry, and enhance efficiencies across the diamond value chain.



Social certification of our factories

Our factory in Thailand finished their SA8000 certification. Our factory in China was assessed by SAI to review the current social performance and to assess gaps and challenges. More details are given in the chapter on decent work.

The SA8000 Standard is one of the world's first auditable social certification standards for decent workplaces, across all industrial sectors. It is based on the UN Declaration of Human Rights, conventions of the ILO, UN and national law, and spans industry and corporate codes to create a common language to measure social performance.

Stakeholder Consultation

Stakeholder Mapping

We map our stakeholders to be able to consult them about their key concerns and expectations. Informally through the networks that we attend or participate in and annually through a formal stakeholder consultation. With our stakeholders we refer to anyone that's affected by us or affects us in any possible way.

	Suppliers	Employees	Contractors	Customers	Governments & international organisations	Local communities	Financial institutions	NGO's	Business & representative organisations	Academic institutions	
Key issues for our stakeholders	<ul style="list-style-type: none"> Market capacity Operational excellence Ethical business practices Liquidity assurance Supplier standards 	<ul style="list-style-type: none"> Safe working environment Inclusive and supportive company culture Work-life balance Remuneration and rewarding Career development 	<ul style="list-style-type: none"> Stable business 	<ul style="list-style-type: none"> Products with the highest standard of quality and integrity Adequate product disclosure Competitive pricing Secured supply Ethical business practices Product and info security 	<ul style="list-style-type: none"> Social and economic development Employment opportunities Attracting investments Kimberley Process Legal compliance Ethical business practices 	<ul style="list-style-type: none"> Employment opportunities Environmental concerns Social investments Ethical business practices 	<ul style="list-style-type: none"> Return on investment Stable liquidity Corporate governance Risk management and due diligence Transparency and liability Corporate responsibility management 	<ul style="list-style-type: none"> Human rights Health and safety, working conditions Environmental concerns Social and economic development Ethical business practices 	<ul style="list-style-type: none"> Long term industry vision Developing and maintaining sector standards Responsible business practices Industry reputation management 	<ul style="list-style-type: none"> Knowledge sharing Building talent 	Key issues for our stakeholders
Ways of engaging with our stakeholders	<ul style="list-style-type: none"> Market capacity Operational excellence Ethical business practices Liquidity assurance Supplier standards 	<ul style="list-style-type: none"> Dynamic intranet Newsletters and social media Training toolkits on business ethics and code of conduct, Survey stakeholder consultation 	<ul style="list-style-type: none"> Formal undertaking Business partner code of conduct Contracts On-site visits Face to face meetings External audits 	<ul style="list-style-type: none"> Fairs and marketing events Individual account management 	<ul style="list-style-type: none"> Formal dialogues Conferences and speaking engagements at World Bank, Human Rights Working Group, Roadmap 2020 	<ul style="list-style-type: none"> Supporting of the Diamond Empowerment Fund and Diamond Development Initiative Engagement with iPropeller Corporate social investment projects 	<ul style="list-style-type: none"> Regular face to face meetings Conference calls Risk assessments and risk management Site visits Social and financial internal and external audits 	<ul style="list-style-type: none"> Dialogue through representative organizations AWDC and RJC 	<ul style="list-style-type: none"> Active involvement in organizations including The Shift, RJC, AWDC, GJEPC, UN, WDC 	<ul style="list-style-type: none"> Several participations to case study research, conferences and teaching with Vlerick, UAMS, UGent, VUB 	Ways of engaging with our stakeholders
Why are our stakeholders important to us	<ul style="list-style-type: none"> Meeting responsible sourcing requirements Secured supply High value and quality products Product integrity 	<ul style="list-style-type: none"> Customer service Understanding of shared values, vision and strategy Securing our market position through talented professionals 	<ul style="list-style-type: none"> Stable services Product integrity Product and info security Securing our market position: delivering products with high standards of quality and integrity to keep consumer confidence high Meeting responsible business practices 	<ul style="list-style-type: none"> Securing our market position through maintaining consumer confidence high 	<ul style="list-style-type: none"> Key to providing fair and transparent competitive trading conditions 	<ul style="list-style-type: none"> Building trust with local communities Employment 	<ul style="list-style-type: none"> Improve our shareholder capital Securing our market position: Boost financial performance 	<ul style="list-style-type: none"> Build and protect reputation, keep consumer confidence high 	<ul style="list-style-type: none"> Collective action makes a difference Knowledge sharing Innovation 	<ul style="list-style-type: none"> Knowledge sharing Talent pool 	Why are our stakeholders important to us
Why are we important to our stakeholders	<ul style="list-style-type: none"> Maintaining consumer confidence and demand 	<ul style="list-style-type: none"> Provide a safe and enriching work experience 	<ul style="list-style-type: none"> Ensuring business continuity 	<ul style="list-style-type: none"> Stable supply Provide quality products at good value Product integrity Excellent service 	<ul style="list-style-type: none"> Generate economic growth 	<ul style="list-style-type: none"> Local economic development 	<ul style="list-style-type: none"> Generate sustainable growth and returns 	<ul style="list-style-type: none"> Leading diamond company performance 	<ul style="list-style-type: none"> Understanding of the industry's responsible practices Product, sector and market expertise 	<ul style="list-style-type: none"> Leading expertise in implementation of standards and practices 	Why are we important to our stakeholders

Methodology

For this report we surveyed a selection of 108 stakeholders, with an important influence on Rosy Blue's business during the reporting period. The survey was conducted in March 2019 and covered a total of 52 internal (management, employees) and 56 external stakeholders.

We surveyed them through the Goodcrowd tool, provided by the Antwerp Management School to review our SDG mapping and impact assessment and to prioritize the main SDG's they believe we could be impacting in our business.

Results of the Consultation

According to our stakeholders Rosy Blue should definitely NOT focus on all SDG's, but only on a number of SDG's on which it has a reasonable impact.

60% of our stakeholders believe our general efforts and performance with regards to the SDG's is much better compared to other companies in the sector, 35% believe it to be somewhat better and 5% believes it is comparable to the efforts of other companies in the sector.

“

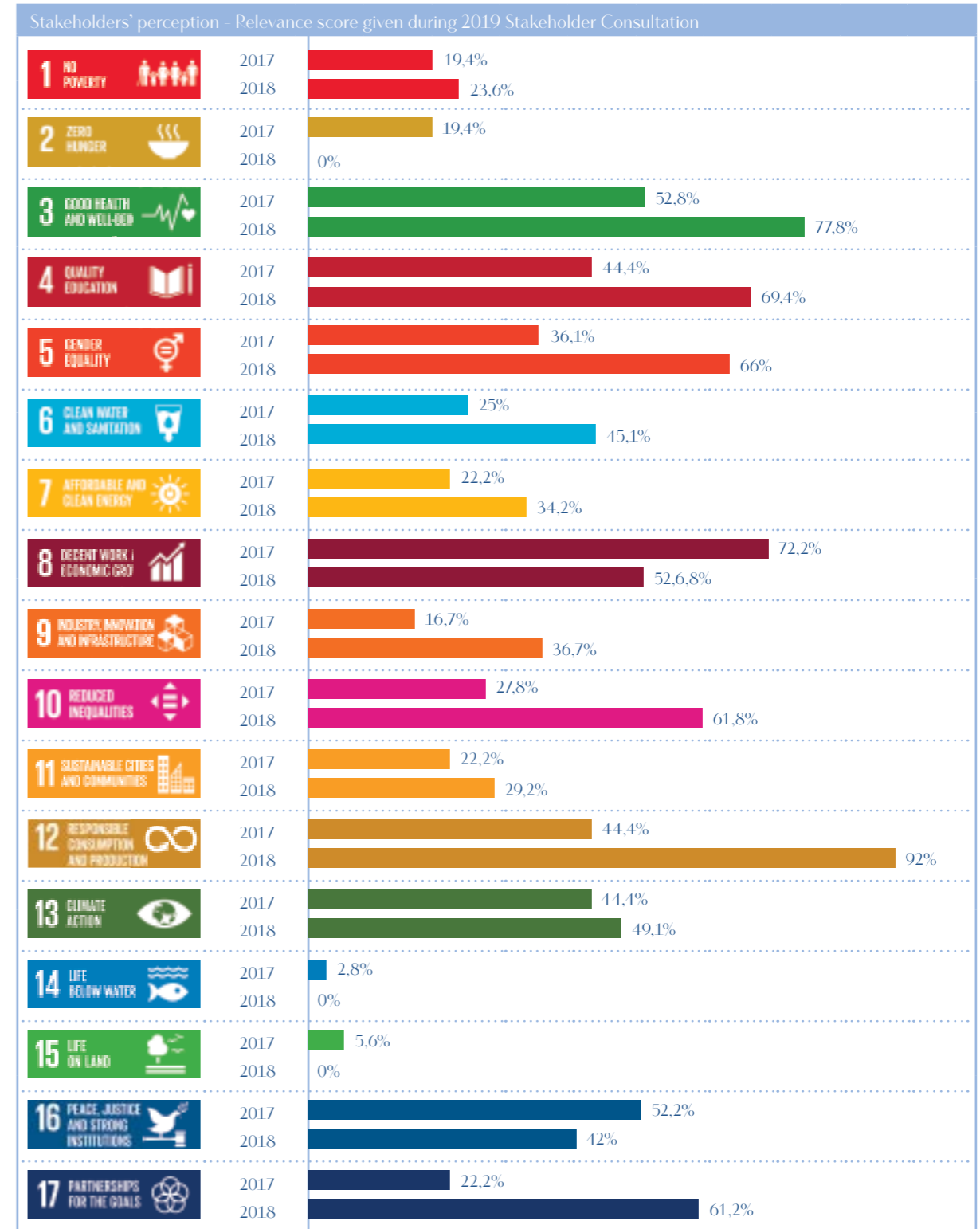
Be a pioneer in these changing industry dynamics!”

“

A secured and known supply chain is the future for diamond companies”

“

Ensuring sustainable growth of business in the diamond polishing sector”



We noticed our stakeholders' knowledge and awareness of the SDG's is increasing. Also priorities are evolving. We are publishing this year's results next to last year's to show this evolution. We are also seeing gaps between the results from our self-assessment (what Rosy Blue management believes to be focusing on) and this broader consultation. The maturity matrix will show a combined result, considering both inputs.

LABOUR STANDARDS & DECENT WORK

- Adopting fair and ethical working conditions (health, safety, working hours, wage...) for all employees and in our supply chain
- Ensuring the well-being of all Rosy Blue's employees through workplace policies and initiatives for equality, inclusion, & health and safety.
- Contributing to economic development, through decent jobs and livelihoods, infrastructure investments, building the skills of employees.

COMMUNITY ENGAGEMENT & PARTNERSHIPS

- Supporting non-profit organizations and partners linked to our sector or operations like RJC, Unicef, community initiatives...
- Enhance global partnerships for sustainable development sharing knowledge and expertise.

NATURAL RESOURCES

- Sustainable use of natural resources & decoupling production with natural resources used.

INTEGRITY & AUTHENTICITY

- Ensuring the integrity of our products and practices.
- Increasing our synthetic proof processes to avoid synthetic diamonds are mixed with natural ones.
- Safeguarding a known, ethical, conflict free origin of all our diamonds (not sourced in a way which didn't respect human rights, labour rights and the environment).
- Buying where we can generate an extra-positive impact where it is most needed.

SUPPLY CHAIN TRANSPARENCY & TRACEABILITY

- Ensuring every step the diamond travels is tracked and undertaken with transparent and responsible practices.
- Balancing transparency and confidentiality.

ENVIRONMENTAL FOOTPRINT

- Minimising the impacts of Rosy Blue's operations on the environment by investing in technologies that reduce emissions, energy and water use.

CRAFTSMANSHIP & EDUCATION

- Improving technical skills (direct and indirect through scholarships, gifts to schools, grants...), literacy, reinforcing and sharing know-how.
- Fostering talent by training programmes.
- Safeguarding the culture and craftsmanship of diamond polishing.

GOVERNANCE & COMPLIANCE

- Ensuring effective and transparent governance structures and inclusive decisionmaking, promoting equal gender opportunities, at all levels.
- Eliminating all corruption and money laundering risks.
- Compliance with legal and regulatory standards.

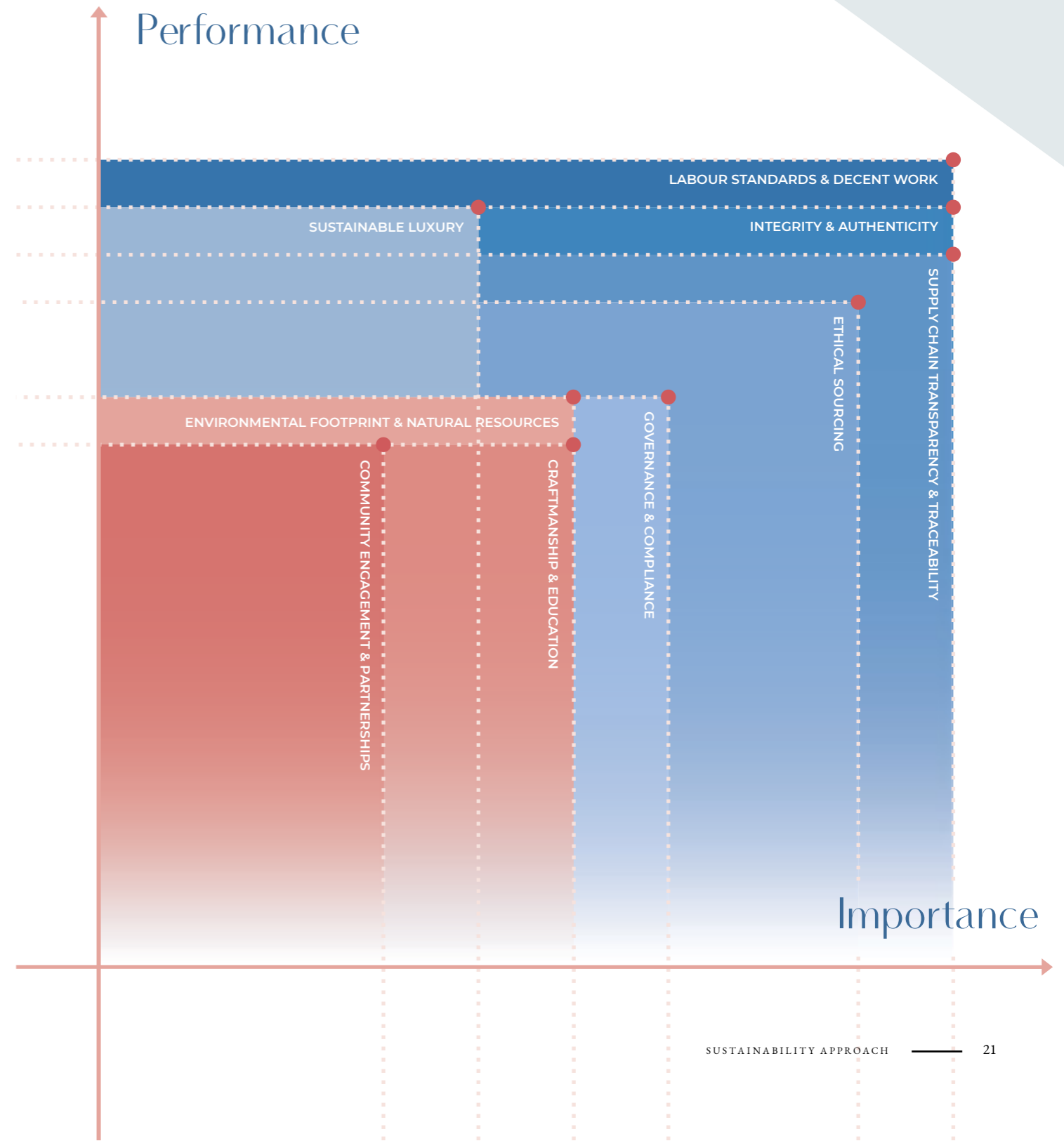
SUSTAINABLE LUXURY

- Linking company success to overall growth & positive impact along the supply chain, creating an added-value of diamond manufacturing for Society.
- Creating luxury that is sustainable = durable, one of a kind and charged with emotion and heritage.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Labour standards & decent work			●		●	●			●	●							●
Craftmanship & education			●	●													
Community engagement & partnerships	●								●	●							●
Integrity and authenticity										●							●
Ethical sourcing	●																●
Supply chain transparency and traceability																	●
Environmental footprint						●	●					●		●			
Natural resources								●	●			●			●		
Governance & Compliance				●			●		●	●		●				●	●
Sustainable luxury							●	●	●	●							●

Maturity Matrix

We asked our stakeholders to give a score for our material topics, on how important they believe each topic to be for Rosy Blue (importance) and how advanced they perceive us on each topic (maturity). This is then compared with our own evaluation resulted in this maturity matrix.



Governance & compliance

Our interpretation

Promoting transparency regarding our own governance structure and practices. Ensuring effective policies and procedures to prevent bribery, money-laundering and corruption.

Our concrete actions in 2018

- Updated global KYC procedure – continuous KYC training
- Registration to myKYCbank re-establishment of our CanadaMark program.
- Update global AML policy
- OECD implementation



Corporate Governance as risk mitigation

We recognize the importance of good governance to prevent business and social risks within our company. To achieve this goal, we have increased management efficiency and transparency by improving our internal control system. A number of corporate bodies have been established to create a sound balance of reporting.

Our core values

Integrity:

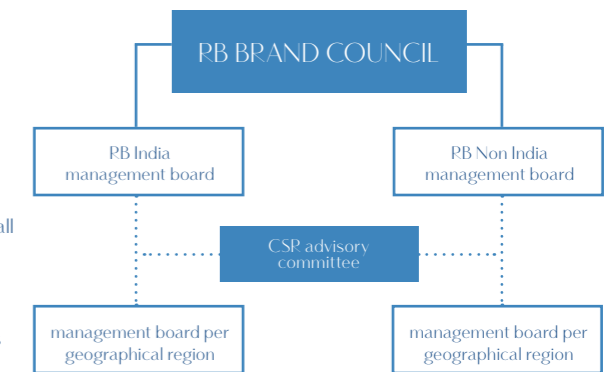
we strive to uphold ourselves to moral and ethical standards

Accountability:

we are keen to deliver the same promise of trust and craftsmanship to all our stakeholders around the world

Diversity:

we embrace the diverse characteristics of all people who work with us and respect their dignity.



Rosy Blue Brand Council

Since Rosy Blue NI and Rosy Blue I are two independent legal entities, a Rosy Blue Brand council has been established with the main function to manage growth and oversee the Rosy Blue Brand. Their task is also to maintain ethics and core values across our operations.

Local Management Boards

Each Rosy Blue entity is governed by a Management Board and covers a certain geographical region with its own profit and loss responsibility within the wider framework of the Rosy Blue brand. They define long-term goals and strategies, coordinate and monitor the most important activities, develop and deploy managerial staff, allocate resources and decide on its financial steering and reporting.

The Chairman of each Management Board coordinates its work and presides over the meetings. Through regular discussions with its board members, the Management Board is kept constantly informed of developments in business policy, corporate planning and strategy. It also approves the financial statements taking into account the reports by the auditor. Blue Brand. Their task is also to maintain ethics and core

values across our operations.

CSR Advisory Committee

The main objective of the CSR advisory committee is to review and make appropriate strategic recommendations regarding Rosy Blue's CSR management and to monitor the conduct of business in accordance with the different compliance standards. Its 4 members come from different operational departments and complement each other in terms of their diverse professional expertise and excellent knowledge of the complex supply chain we work in. activities, develop and deploy managerial staff, allocate resources

Members

- Valerie Michel
MANAGER CORPORATE AFFAIRS & CSR, BELGIUM
- Alon Mooleman
MANUFACTURING COORDINATOR, BELGIUM
- Ashish Mandloi
HR MANAGER, INDIA
- Sookruthai Karintanaka
HEAD OF HR, THAILAND

AML – KYC (Know Your Counterpart) team

Rosy Blue has a dedicated AML-KYC officer in every entity who follows up on financial compliance and possible suspicious transactions. The ‘know-your-counterpart’ procedure is followed to verify and keep records on the counterpart’s identity as per anti-money laundering (AML) requirements. As buyers, we are also subject to the same disclosure obligations to our suppliers. Under no circumstances, goods can be sold to a new customer without the KYC process finalized with a green light.

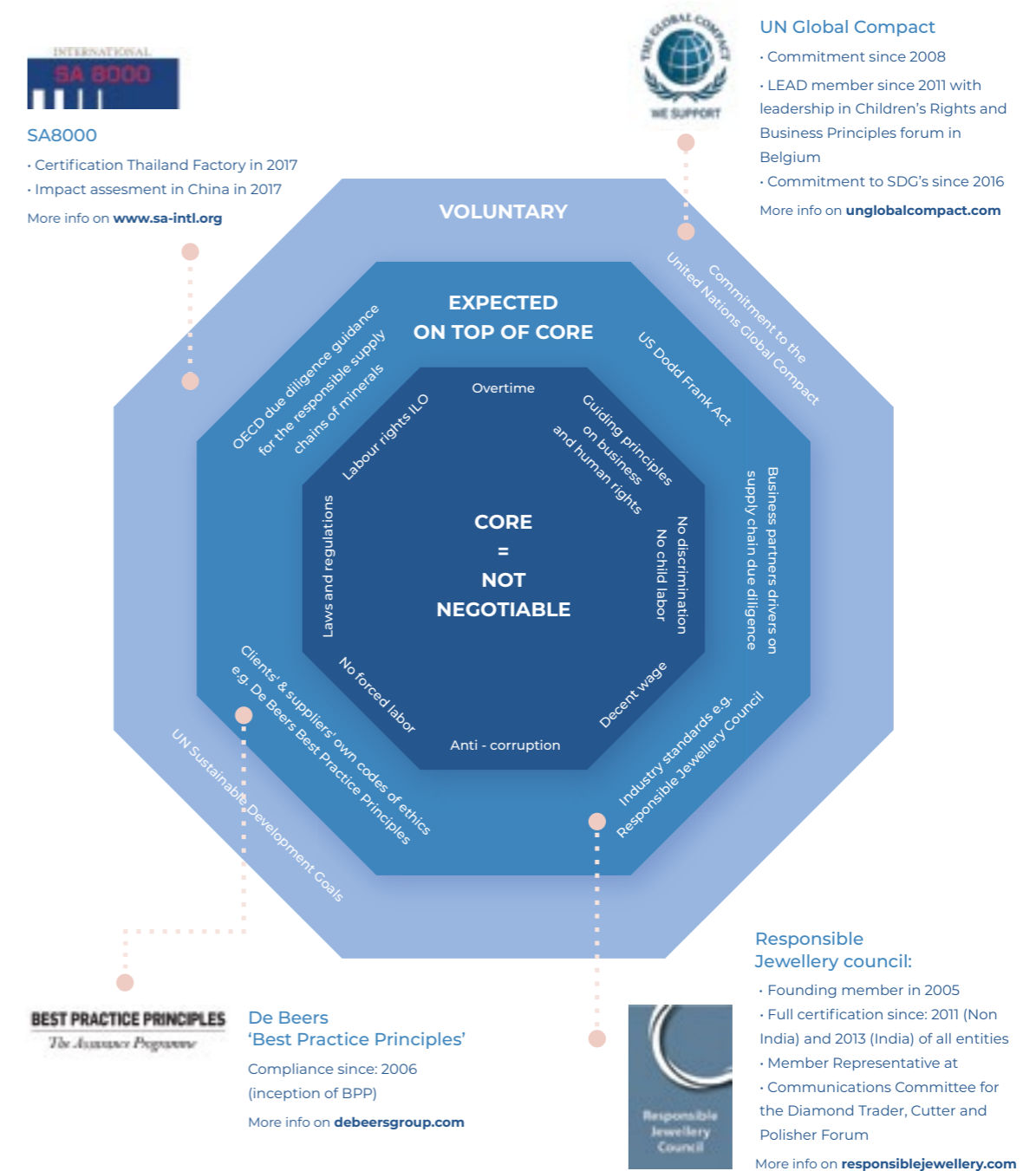


Our CSR Journey

2005	2007	2008	2009	2010	2011
Rosy Blue (NI) cofounded the Responsible Jewellery Council Start De Beers Best Practice Principle program	CSR strategy decision Global training seminar for local CSR officers	Launch CSR information management system Start internal pre audit visits Participant of UN Global Compact	First CSR report Pilot project in preparation for RJC certification process	Rosy Blue Going Green strategy established	Member of UN Global Compact LEAD Rosy Blue NI RJC certified until 2014
2013	2014	2015	2016	2017	2018
Rosy Blue I RJC certified until 2016	Recertification RJC Rosy Blue NI till 2018	Global CSR seminar Launch CSR extranet	Commitment to contribute to the Sustainable Development Goals Recertification RJC Rosy Blue I till 2020	SA8000 certification Thailand RJC recertification Rosy Blue NI until 2022	Establishment of Center of Excellence Antwerp & Mumbai Traceability project with De Beers

Compliance: a very demanding operating environment

Compliance with international rules and regulations is a minimum responsibility for every company. There are several initiatives in the diamond industry that seek to help companies improve their impact on society and to enhance consumer confidence. We also adhere to codes of different suppliers and customers, which for confidentiality reasons we have not individually and specifically mentioned here. On top, we also engage explicitly in a series of initiatives which we believe help us to consistently improve business and operating practices across the value chain and our markets.



Our compliance structure: a central, yet local organisation

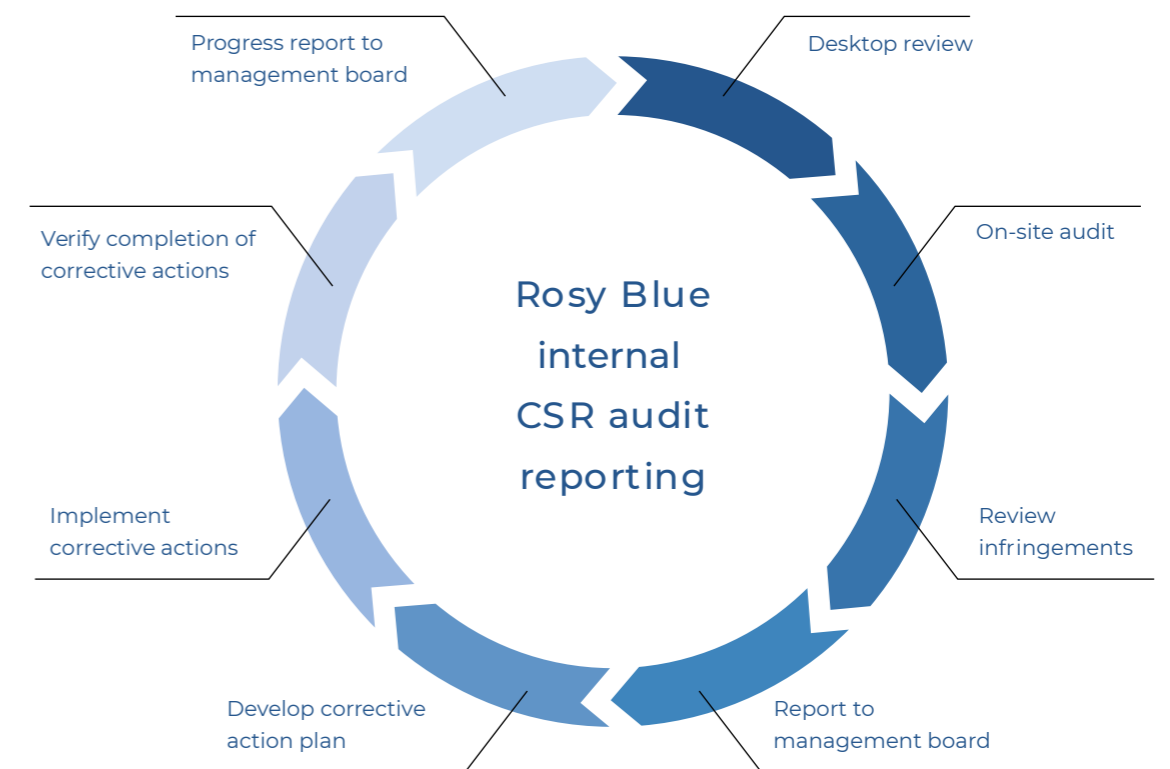


Two central CSR departments are at the core of the leadership structure. They hold responsibility for the alignment and steering of our global sustainability strategy. Some of their tasks are communicating externally, collecting data, and developing policies and procedures and monitoring their implementation.

Internal monitoring to know what happens where

The two central CSR departments evaluate compliance through an internal audit system and work proactively with our people to drive change. Every entity has appointed a local CSR compliance officer who is responsible for implementing compliance and tailoring global, all-encompassing directives to local national and cultural needs.

Each year the 2 Central CSR Departments, in close coordination with the local CSR officers, audit a number of entities based on various risk criteria including geographic sensitivities, past audit performances and the nature of facility's work. In 2017, Belgium, Dubai, New York, Thailand, India hosted an internal audit and China was assessed in collaboration with Social Accountability International (SAI).



Responsible supply chain

Our interpretation

Ethical sourcing and supply chain transparency will ensure our diamonds have not been used to fund armed conflicts nor have been sourced in a way that didn't respect human rights. It is our obligation to guarantee the authenticity of our diamonds and gold jewellery in all their physical characteristics. Product disclosure rests on the quality and veracity of the information that is disclosed to the consumers about the diamonds they purchase.

Our concrete actions in 2018

- human rights due diligence according to the OECD
- establishment of centers of excellence in Antwerp and Mumbai in order to eliminate any risk for synthetics entering our supply chain
- audited and approved provenance claim on SRSP compliance and Non Marange origin
- project on global supply chain contamination control
- IIDGR training for sales managers on synthetics

Ethical sourcing from primary mines and trusted suppliers

All our diamonds are conflict free origin. We apply the rough Diamond export and import verification system and controls as laid out by the Kimberley Process Certification Scheme and national legislation of the countries where we operate. We only supply diamonds that have been sourced from countries that are participants in the Kimberley Process and that have been legally exported under a relevant Kimberley Process certificate. Certifying their origin is to prevent diamonds from potentially being used to finance armed conflicts by rebel movements from entering the market. * We also fully comply with the World Diamond Council System of Warranties.

*www.kimberleyprocess.com

Provenance traceability for every stone manufactured in-house

For a company the size of Rosy Blue traceability challenges are substantial, as the rough is bought in various locations and is then routed through procurement and sorting offices, before ending on polishing wheels in different factories.

In all entities, integrated IT systems have been set up in order to guarantee full transparency on every stone that is manufactured in house. Allied with human vigilance, this helps us monitor every diamond passing through our manufacturing and finishing process. These processes are independently verified through our membership of the Forevermark Program in 4 of our operations: Belgium, Thailand, China and India.

Fantasy system at Rosy Blue NL

The Fantasy system allows for **absolute tracking of every single stone, as well as entire lots**, manufactured in-house, throughout our entire global supply-chain, at every stage.

e.g. Canadian origin hallmark: We use our traceability system to be able to guarantee Canadian origin of diamonds. Our factory in Thailand is approved as manufacturing facility using the CanadaMark™ program, a trademark of Dominion Diamond Corporation, one of our main suppliers. This origin hallmark signifies that the polished diamond is mined in Canada, natural and untreated, tracked from mine to polished and of standardized quality.

JD Edwards at Rosy Blue I

JD Edwards is the integrated applications suite of resource planning software that offers databases, operating systems and hardware to develop IT solutions to meet business requirements like a tight monitoring of all receivable and payables. It tracks each rough parcel from the time it is received till the completion of manufacturing process and the value addition made thereto.

Provenance Claims made by Rosy Blue Non India

a. SRSP compliance

Rosy Blue Inc. USA sources gold responsibly in accordance with the Signet Responsible Sourcing Protocol (SRSP). Rosy Blue Inc. USA sources diamonds responsibly in accordance with the Diamond Signet Responsible Sourcing Protocol (D-SRSP).

b. Non Marange Origin

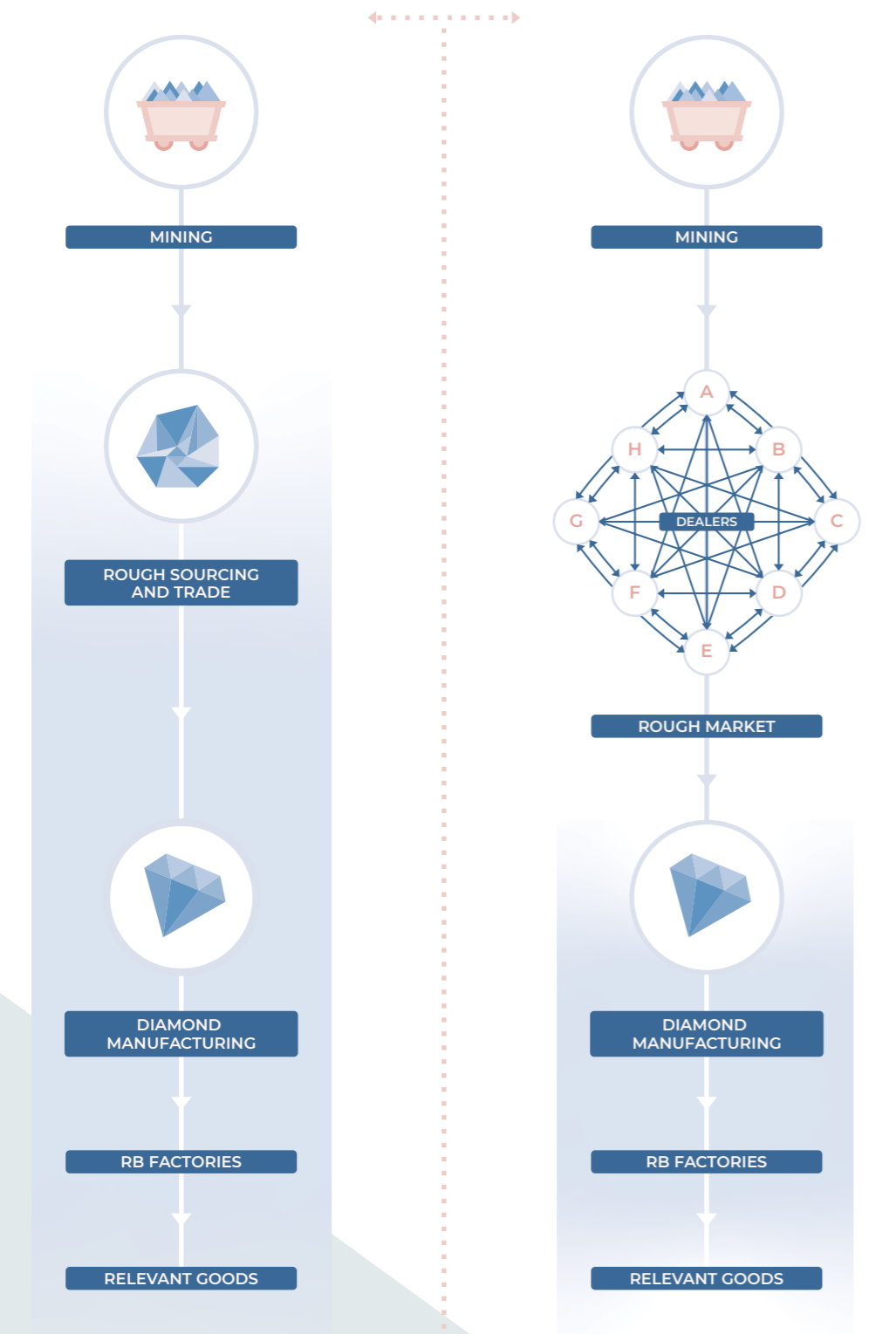
“Diamonds herein invoiced have not originated from Marange Region of Zimbabwe. The supplier of these diamonds has provided a similar assurance from non Marange origin.”

c. Naturality (India)

The seller hereby guarantees that the diamonds herein invoiced are exclusively of natural origin, formed and grown under natural and geological processes, based on personal knowledge and/or written guarantees provided by the supplier of these diamonds

Traceability challenges

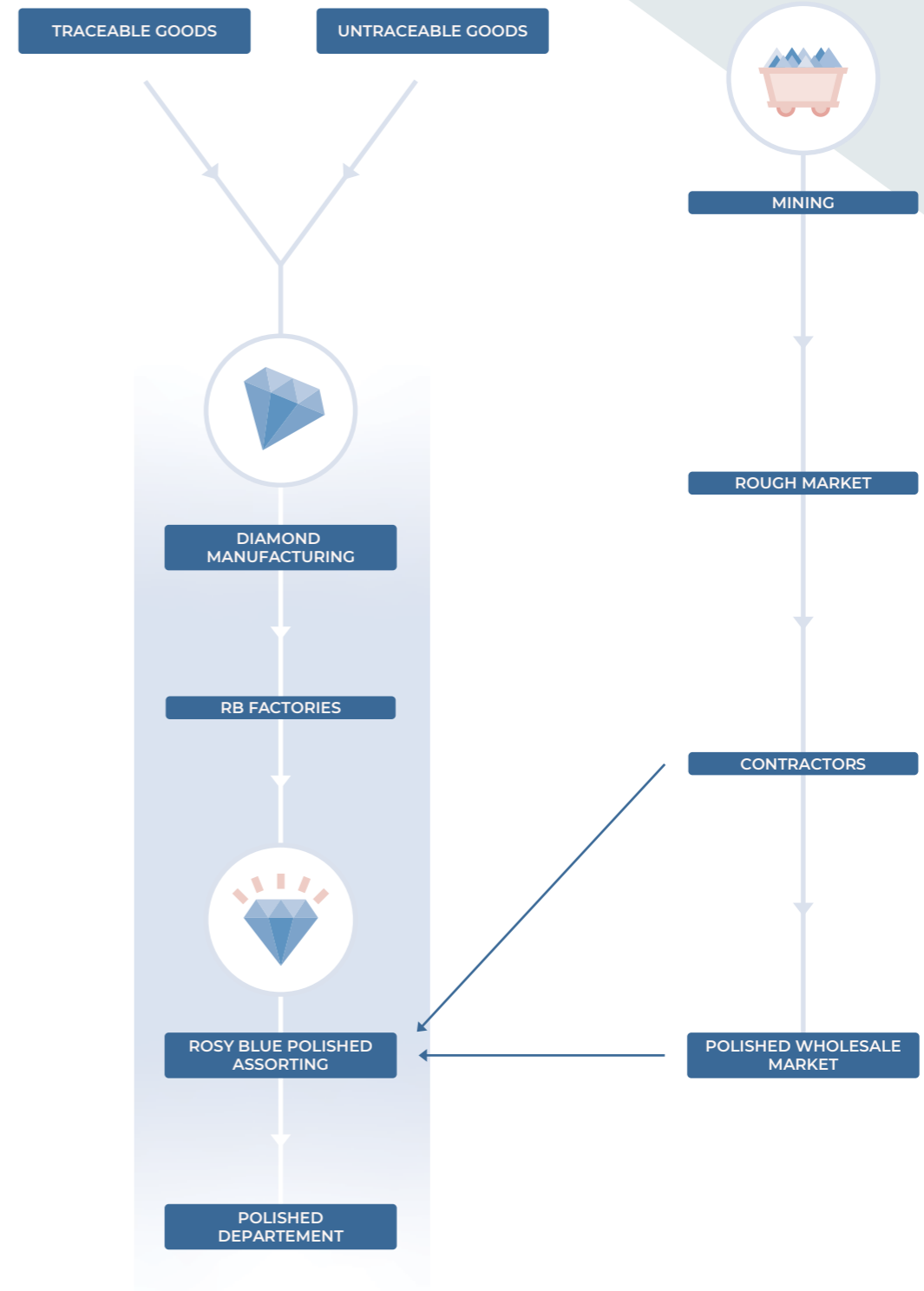
ROUGH DIAMOND SUPPLY LANDSCAPE



POSSIBILITY OF FULL TRACEABILITY BACK TO THE ORIGIN (SUPPLIER)

POSSIBILITY OF TRACEABILITY BACK TO THE ROUGH PURCHASE

POLISHED DIAMOND SUPPLY LANDSCAPE



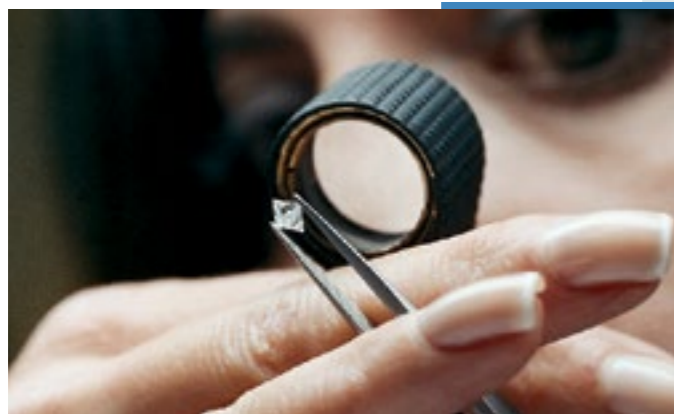
FOR POLISHED PURCHASES, CHALLENGES IN PROVENANCE TRACEABILITY ARE EXISTING AS NOT ALL SUPPLIERS ARE WILLING TO DISCLOSE DETAILS OF THE ORIGIN OF THE GOODS. WE REQUEST ALL SUPPLIERS TO PROVIDE AS MUCH DETAIL AS POSSIBLE ABOUT THE ROUGH AND POLISHED ORIGIN.

Product integrity and authenticity

Full disclosure at all times

Full disclosure at all times is key throughout our processes. We acknowledge that in our sector, the non-disclosure of the potential treatment of natural diamonds, and the misrepresentation of simulants and synthetics as natural diamonds, undermines consumer confidence in the integrity of our product.

Written disclosure is needed in each bill of sale, receipt, laboratory certificate or other documentation we give to our clients.



4C's of a diamond

Each diamond is unique. The quality and value of a diamond is defined by its 4 Cs: carat, colour, clarity and cut.

The weight or size of a diamond is expressed in **CARATS**.

Most diamonds range in **COLOUR** from colourless to slightly yellow. Diamonds can also occur in all ranges of colours, from brownish to striking yellow, pink, purple, red, blue and green. These are called 'fancy colours'.

With **CLARITY**, a diamond's purity is described. The clarity scale reflects the size, number and location of the internal characteristics. Diamonds that have no inclusions visible to the naked eye are of excellent quality and are called 'loupe clean'.

A diamond's **CUT** defines the proportion, polish and symmetry of the cut. A perfect cut equals more sparkle, brilliance and fire. Cut is not the same as the shape or form into which it was cut. Diamonds can be cut into various shapes, the best-known is probably the round brilliant.

*source: www.hrd.be

Global supply chain contamination control

What is a synthetic diamond?

A synthetic diamond is a diamond produced in an artificial process, as opposed to natural diamonds, which are created by geological processes. Synthetics are made from carbon, but crystal is formed through production methods that are, high-pressure high-temperature (HPHT) or chemical vapor deposition (CVD). While the costs of production are lower, cost of a synthetic diamond is about 40% lower than that of a natural diamond.

Rosy Blue's view on synthetics:

Gem quality synthetic diamonds are a genuine product in their own right. If sold with the proper disclosures, it offers consumers an alternative to buying natural diamonds. What affects the natural diamond industry and the consumers is the undisclosed mixing of natural and synthetic diamonds. This is clearly a fraudulent practice, which is not acceptable to any respectable actor in the sector.

Detection procedure for rough

Buying rough diamond from the market poses a medium risk for contamination. Since a simple visual distinction between unprocessed synthetic diamond and natural rough is possible, all rough parcels are checked by eye. The rough team of Rosy Blue NI is formally trained in identifying differences between natural and synthetic rough diamonds. They received again an official HRD course on hard-to-detect rough synthetics and an IIDGR course on synthetics in general.

Detection procedure for polished

Rosy Blue anticipates the risk of mixing natural with synthetic diamonds by mapping, controlling and minimizing all possible 'contamination points' in our pipeline. Each contamination point holds a different level of risk and a different level of risk requires a different type of action. We have determined at what stages testing is required and have rolled out and implemented our integrity procedures across locations.

Rosy Blue Customer protection center of excellence

In 2018 we optimized procedures of our Center of Excellence that will secure our supply

to customers for 100%. Due diligence and compliance processes were established in all our manufacturing sites and also conducted with strong revolving governance processes in place.

Inspection of 100% of melee goods, both coming from in house manufacturing and purchases, will be done at the Center of Excellence before entering the polished inventory. All the customer returns, sales returns and contractor returns will also be returned directly to the Center of Excellence. A system based lock will be activated to ensure these goods shall not be transferred between Rough – Polished department and vice versa. A system flow will be maintained in Fantasy separate. All the stones

with parcel id, location, and other technical details will be stored in the system.

Pointers and above will be tested as well for 100% as most of these are certified goods and the remaining part will be kept apart and tested upon order.

Internal certification system

For the MELEE goods since 100% testing is done internally, there will be an internal certification system in compliance with CORPORATE INTEGRITY PROCEDURE and the requirements of clients. The certification will be accompanied with every Melee goods sale invoice to every customer.

	Internally manufactured goods	Purchases
Below 0,9mm	100% testing by lab	100% testing by lab
Melee goods	100% testing	100% testing
Pointers	Certified or 100% testing*	100% testing
1cts and up	Certified	Certified

*upon shipment



Detection equipment

Automated Melee Screening ('AMS2'): A fully automated instrument for screening volume melee diamonds to verify they are not synthetic or simulant.

Supplier: De Beers IIDGR

Scope: Round brilliant colorless diamonds in size range 0.003cts – 0.2 cts Fancy shapes (0.01-0.2cts)

Logs: Log of every tested parcel and the outcome.

Speed: up to 3600 stones an hour (AMS2)

Referrals: Separates: natural, HPHT & simulants; 4 bins: Pass – Refer – Refer Type II – non-diamond. All CVD is referred. Low referral rate

Decent work

Our interpretation

Ensuring the health, safety and well-being of all Rosy Blue's employees through workplace policies and initiatives for equality, inclusion, & occupational health and safety. Contributing to economic development, through decent jobs and livelihoods, infrastructure investments, building the skills of employees.

Our concrete actions in 2018:

- human rights due diligence according to the OECD
- extended risk assessment of our own operations
- increase of both quantity and quality of trainings provided to all our employees



Beyond labour rights in our own operations.

For Rosy Blue Human rights include Labor Rights as stated in the International Labour Organisation (ILO's) core conventions and the Declaration on Fundamental Principles and Rights at Work. We focus our efforts on those rights that are within our sphere of influence and our working environment. We respect human rights primarily by providing safe and healthy working conditions for our employees and ensuring non-discrimination in human resource practices.

Most of our operations and people are in manufacturing. Environmental and social standards for labour vary tremendously — for example, the national minimum wage, or working hours in a certain country may exceed or fall short of actual decent living standards. Because of this, we are committed to going beyond the minimum regulations

as stipulated by local law. 23.5% of our total workforce is covered by collective bargaining agreements.

The fact that we are certified RJC member and SA8000 applicant enables us to claim that all practices throughout our own operations are conducted in an ethical and responsible way, without any human right abuse or conflict.

Health and Safety

Rosy Blue is committed to providing and maintaining a safe and healthy work environment for all employees, contractors and visiting members. The main health and safety risks are cuts to fingers, projection of parts of stones in the eyes and inhalation of dust during polishing.

All of our entities have appointed a Health & Safety Manager. In 2018, 101 people were involved

in preserving health and safety across our sites.

Working accidents

We take all practicable steps to eliminate, isolate and minimise the risk of injuries or illness from identified actual and potential hazards. Our factories are staffed with a full-time nurse. Some locations have a clinic and we monitor health of employees at regular intervals. All new employees undergo full health check-up within a month of their joining. We focus on wearing personal protective equipment (PPE) which makes a considerable impact in the occurrence of accidents.

Year	Minor injuries	Major injuries
2014	18	2
2015	18	2
2016	19	1
2017	11	0
2018	8	2

We call a major injury when a doctor is called or the person is sent to the hospital, even if it is just for checkup.

Risk factors	Potential negative impact	Probability of occurrence	Severity of impact	How to handle?
There is a difference in nationality, race or religion between workers and managers.	Discrimination, disciplinary abuse and harassment, communication barriers	High	High	Open communication, grievance procedure, training
Some of the workers in our factories are migrants from other areas.	Forced labor, discrimination	Low	High	Employment contracts, open communication
There are security guards at our companies due to high value goods	Lack of freedom of movement, harassment	Low	High	Contractual agreements on human rights with security agencies.
Our production activities involve workers routinely interacting with machinery	Worker injuries and chronic conditions	Low	High	Health protocol to be monitored and controlled.

Our social performance: audit results

	2015	2016	2017	2018
Belgium			•3 inf	•
China	•1 inf		•4 inf	
Hong Kong				
Israel	•	•		
Japan				•
Thailand		•2 inf		•4 inf
UAE		•1 inf	•	
USA			•	
India	10 inf	•2 inf	•1 inf	•3 inf

INF = potential minor and major infringements. An infringement is a compliance issue that can be managed and rectified within a short or reasonable period. Both minor and major infringements require us to submit a Corrective Action Plan.



Country	Finding	Corrective action	Status
Thailand	A disclosure practice statement on (internal) invoices was missing.	The entity director issues a letter to the client (Group) that they export to that reads 'I hereby confirm that we only deal in natural diamonds. More information on our disclosure policy can be found in our Product Integrity procedure'	Closed
Thailand	The second floor of the canteen only has one exit available. The second floor is allocated to eating areas (tables and chairs).	One extra emergency exit was created with a new outside staircase.	Closed
Thailand	There was no inspection of the exhaust fan in the Deep Boiling area. These areas were using hazardous chemicals	The inspection was planned and completed in the environmental inspection in March 2019.	Closed
Thailand	A chemicals list with details shall be submitted to the local authorities annually. List that was submitted in August 2018 was missing 1 chemical product that is used.	Detailed and complete chemicals list was submitted to the local authorities in January 2019.	Closed
India	It was observed that one secondary exit was found to open inwards.	Direction of the doors was adjusted.	Closed
India	It was observed that the entity has not provided a handrail for the staircase leading to the mezzanine floor.	Handrail was installed.	Closed
India	It was noted that the entity has not formed an official grievance committee. However, the company's worker management committee serves as the grievance committee. Furthermore, there was a grievance policy in place and employees could raise grievances/make complaints through a suggestion box or to the worker management committee.	It was communicated to all staff that the company's worker management committee serves as the grievance committee and all employees could raise their concerns to them.	Closed

Human rights due diligence in the supply chain

Because we buy directly from primary mines and trusted suppliers, we consider the human rights risks in our upstream supply chain as low.

We carry out a risk assessment to review our responsibility with respect to human rights, as a requirement for the RJC code of practices. The exercise allows us to proactively manage the Human Rights related risks of our supply chain. We have mapped any human rights impacts our company may cause or contribute to and how we can prevent or adverse these.

Criteria	Good practice	Improvement opportunities
Adoption and implementation of a robust supply chain policy—that is incorporated into all contracts with suppliers;	We have a business partner code of conduct that included human rights. All our suppliers and contractors are expected to sign the Code of Conduct	The code of conduct is not part of the company's contract with suppliers. The policy is also not yet publicly available
Traceability or Chain of custody over diamonds, including efforts to trace these minerals to their mines of origin by requiring full supply chain documentation from all suppliers;	Yes, all efforts to provide origin, at least for in-house manufactured goods. For purchased goods we formally request our suppliers to provide all the information they can.	No chain of custody.
Assessment of all human rights risks throughout the supply chain, including evidence of human rights due diligence by upstream suppliers, such as on-the-ground mine assessments;	We have done a human rights due diligence based on RJC and OECD guidance. All our own operations are complying with the highest possible standards.	We have not physically visited our suppliers to assess any risks with in our further supply chain
Third-party audits of the company's and its suppliers' human rights due diligence by auditors qualified to assess human rights issues;	We are RJC COP certified and third-party audited by SGS.	We do not audit our suppliers.
Annual public reporting on human rights due diligence, including steps to manage and mitigate risks;	Annual sustainability report that includes our own human rights due diligence and information on efforts to achieve responsible mining, and its approach to supplier audits.	Including audit results of our suppliers in our communication.
Support for artisanal and small-scale mining;	No.	Financial support for the Diamond Development Initiative and the Institute for Environment and Development to help formalize and promote responsible artisanal mining in both the diamond and gold sectors.

Managing our contractors

In 2018 we worked with 3 majority contractors and 45 minority contractors for Rosy Blue (NI) and 1 majority and 53 minority contractors for Rosy Blue India. These include grading services, cleaning, jewellery retail shops, but also polishing activity. We focus on 'substantial contractors', being the contractors that generate 75% or more of the revenues of the contractor from one of our entities.

Each year, these majority contractors are selected for audit by SGS based on risk factors such as conditions in the country where a facility is located and the facility's past audit performance.



Craftmanship and education

Improving technical skills (direct and indirect through scholarships, gifts to schools, grants...), literacy, reinforcing and sharing know-how is crucial for Rosy Blue

Polishing diamonds is a very specific and respected craftsmanship. We provide a variety of mandatory and voluntary, internal and external training opportunities for our employees to help them develop technical skills on the workplace, and gain the competences specific to their roles. We communicate our global policies and procedures covering the subjects of compliance on our CSR extranet. Regarding CSR and compliance knowledge, the training material and toolkits can be adjusted by the local CSR expert as per the local reality and language.

In 2018, Rosy Blue recorded a total of 6399.5 hours of training mainly on compliances, human rights, social performance and management practices. In 2018 we distributed a new compliance training which all entities had to give to all staff. Health and safety and fire evacuation training is given in all entities. In China we provided training on importance of working hours registration and how to clock in and out at the beginning and the end of the day.

Environmental impact

Our interpretation

Minimising the impacts of Rosy Blue's operations on the environment by investing in technologies that reduce emissions, energy and water use.



Carbon footprint 2018 =
6,063 tonnes CO₂e



61%
electricity used



27%
business travel



1%
company cars

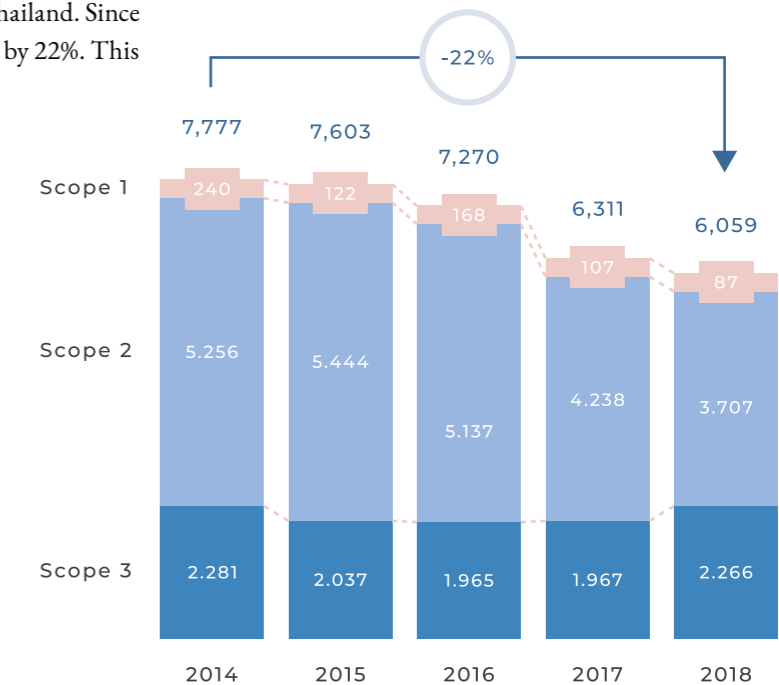


11%
other

Evolution of our footprint

In 2018, 61% of Rosy Blue's emissions were associated with 4 entities, including the 3 factories. This is to be expected given the higher energy consumption of manufacturing sites compared to offices. The highest energy consumption was at our jewellery manufacturing site in Intergold, India and in our manufacturing facility in Phitsanulok, Thailand. Since 2014 Rosy Blue's footprint has decreased by 22%. This drop in emissions is due to:

- Reduction in number of sites in scope, particularly energy intensive sites
- Improvements in energy efficiency resulting in reduced electricity consumption



In 2018 carbon footprint has decreased by 4%. Reasons for this are the reduction in fuel and electricity consumption, and significant reduction of electricity consumed at the largest consuming site. The overall representation of Business Travel emissions has increased from 21% to 27% in 2018 as a result of the increase in air travel and decrease in Scope 1 & 2 emissions. Air travel still dominates the emissions from business travel and has increased since 2017

Along with a reduction in absolute emissions, emissions per FTE have decreased also slightly. The methodology used to calculate carbon intensity per employee has been amended to better reflect industry best practice and communication standards, such as those laid out by CDP.

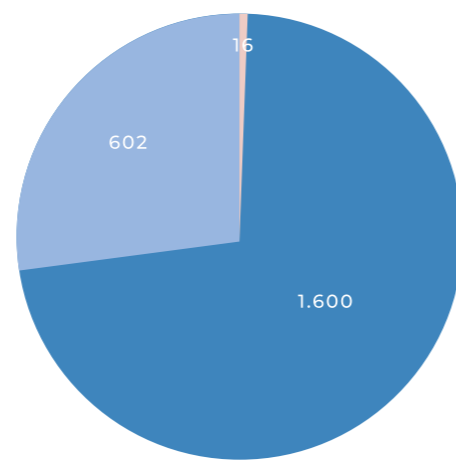
	2014	2015	2016	2017	2018
Full Time Employee Equivalent (FTE)	4,135	3,818	3,453	1,769	2,557
Emissions Scope 1 & 2 per FTE	1.33 tCO ₂ e	1.46 tCO ₂ e	1.56 tCO ₂ e	2.46 tCO ₂ e	1.48 tCO ₂ e
Emissions Scope 1,2 & 3 per FTE	1.88 tCO ₂ e	1.99 tCO ₂ e	2.13 tCO ₂ e	3.57 tCO ₂ e	2.37 tCO ₂ e

We calculate our organisational carbon footprint in line with Greenhouse Gas Protocol guidance. The boundary of our footprint includes:

- Onsite fuels and owned transport (Scope 1)
- Electricity consumption (Scope 2)
- Business travel and upstream impacts of electricity consumption and fuel usage (Scope 3)

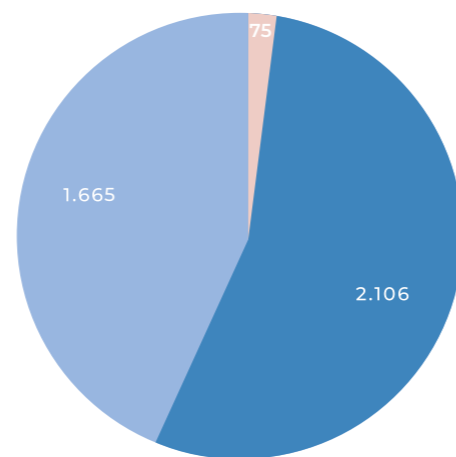
We have excluded upstream Scope 3 emissions associated with purchased goods and services (diamond mining). Water consumption and waste disposal (including chemicals) is measured and monitored, however they are excluded from our carbon footprint. This is because they do not represent a material carbon impact.

India sites emissions - 2,218 tCO₂e



● SCOPE 1 ● SCOPE 2 ● SCOPE 3

Non-India sites emissions - 3,846 tCO₂e



● SCOPE 1 ● SCOPE 2 ● SCOPE 3

Some examples of energy audit findings that led to carbon reductions actions

1. Develop a dedicated energy policy for the factory.
2. Improve energy analysis and sub-metering
3. Implement a staff energy awareness campaign.
4. Review the temperature set points of the air-conditioning systems
5. Minimise building air infiltration to improve the energy performance of the air-conditioning system
6. In the medium term replace the central R22 air-conditioning systems in the office and factory
7. Upgrade the remaining fluorescent and compact fluorescent lighting to LED with improved controls
8. Replace the air-compressors with a centralised system
9. Improve the control of the extract systems

Community support & partnerships

Our interpretation

Supporting non-profit organisations like the RJC and donating to charitable organisations and causes which are linked to our sector and operations.



Rosy Blue Foundation

Rosy Blue Foundation is our best relay inside the surrounding communities of Rosy Blue. The SDGs pinpoint a series of urgencies that the Foundation can help address by supporting the right non-profit organizations.

ConnectFor

ConnectFor is a homegrown RBF project. It is a technology platform that seeks to demonstrate the value of human resource. ConnectFor acts as an intermediary between volunteers and NGOs, and helps to create value add matches by finding the right volunteer for the right opportunity. With over 4000 volunteers, and more than 100 NGO partners in Mumbai, ConnectFor has already seen more than 5000 hours of completed volunteering! The project is only three years and a half old, having launched in December 2015, but has seen incredible traction. More information can be found on www.connectfor.org. ConnectFor was recently awarded the Solutions4Good grant by Vodafone Foundation and Nasscom Foundation.

Mentor Together

We have continued our engagement with Mentor Together, resulting in the creation of over 100 mentorship pairs across 3 locations in Mumbai. The mentors, some of whom are R.B employees themselves,

have been divided across two programmes: Flagship mentorship, which is for children from grades 8-12 who are at risk of dropping out of school, and Work Based Mentorship, which is in partnership with Magic Bus, and is for first generation students who are looking to transition into workspaces or gain employment. We have also piloted a remote mentorship programme in rural Maharashtra, called Mentor To Go, which seeks to explore whether a mentorship relationship can be developed without in person interaction. Mentor Me India We have also continued our engagement with Mentor Me India, with our pilot for mentorship with “high risk children” i.e. children who are even more vulnerable due to their circumstances. The two groups we worked with were street children, and the daughters of sex workers in 2017-18, and now we have

expanded the same, looking at the impact of mentorship on HIV orphans.

Indian school leadership institute (ISLI)

ISLI is an organization that is invested in improving the quality of school leaders, believing that they are critical to the quality and standard of education across the country. We have supported them in creating a peer-to-peer mentorship network that matches government school leaders with private school teachers/leaders to help them define and achieve growth and a higher quality classroom experience.



Community partnerships

Special Olympics: Play unified

Special Olympics is an international movement that offers Olympic sports to people with intellectual disabilities. Through sport, Special Olympics wants to improve their self-confidence, their health and their possibilities in daily life. The movement wants to break the taboo that still exists today about people with intellectual disabilities, in order to create respect and appreciation for all people with intellectual disabilities. Special Olympics was founded in the United States in 1968 by Eunice Kennedy Shriver and today counts 4 million athletes in 178 countries.

The non-profit organization Special Olympics Belgium was founded in 1979. The organization is under the High Protection of Their Majesty the King and the Queen. Tia Hellebaut and Kevin De Bruyne are the godmother of the organization recognized by the Belgian and Interfederal Olympic Committee. The National Games of Special Olympics Belgium are THE sporting highlight of the year for more than 3400 athletes with intellectual disabilities.

Rosy Blue promotes the social integration of people with intellectual disabilities through sport. Our goals for 2020 are to help Special Olympics:

- Increase the number of 16,843 athletes, who now regularly practice custom sports, to 20,000 via Unified Sports
- Breaking the taboo that intellectual disability still carries today

To achieve its goal by 2020, Rosy Blue together with Special Olympics is committed to the substantial development of the Play Unified activities; this is the joint sport of people with and without intellectual disabilities. The purpose of Unified sports:

- Recognition and integration of athletes with intellectual disabilities by using sport
- Participation and involvement of able-bodied people
- Personal development of the athlete and the unified partner

Unified sports is recreational, because the friendly atmosphere leads to companionship, but it is also competitive, because the participants must have capacities that can only be obtained through regular training. Special Olympics awards the Play Unified quality label to clubs, federations, cities and municipalities and other partners who invest to offer quality sports adapted to people with intellectual disabilities and who promote integrative training sessions for people with and without intellectual disabilities.



Special Olympics

Community partnerships

Social accountability international

SAI is a multi-stakeholder, non-profit organization dedicated to improving workplaces and communities by developing and implementing social responsibility standards and assisting brands, retailers and suppliers in meeting labor and human rights objectives.

SAI convenes stakeholders – companies, non-governmental organizations (NGOs), trade unions and governments – to conduct research, training and technical assistance programs focused on developing the management systems required to adequately address social compliance issues in a sustainable manner. As a corporate member of SAI, Rosy Blue works to improve the social performance of organizations and their supply chains around the world. The direct result is a better workplace for over one million people around the world and a way for consumers to trust the companies whose products they purchase. SAI Corporate Members are committed to the widespread attainment of social responsibility and strive to further the development and implementation of a management system for the continual improvement of social compliance in their companies and their supply chains. SAI provides Corporate Members with resources to assist in meeting social compliance goals, including customized trainings and services to address strengthening of management systems, supply chain management, code of conduct monitoring and compliance, specific aspects of a company's social initiatives, as well as all aspects of the SA8000 code or its implementation.



Children's rights & business principles

The leaders, decision-makers and innovators of tomorrow are the children of today. Respecting and supporting children's rights is preserving the best future of society. A couple of years back we asked ourselves the question: how can a business take concrete actions in implementing children's rights?

This is why, in 2013, during the Global Compact LEAD meeting at the World Economic Forum in Davos we launched a forum with the main goal to promote Children's Rights and Business Principles in Belgium and abroad.

We have assessed our impact on children's rights. The question Rosy Blue has asked itself is how and where we can make a substantial difference in the lives of children. Children are major stakeholders to our company, but

also to business in general. We interact with them on a daily basis, both directly and indirectly. They are family members of employees, can be young workers, future employees and business leaders. At the same time, they are key members of the communities and environments in which we operate.

Looking at our operations, we believe principle 1,2,3,4 and 10 are the most relevant for our business. In order to really determine what we can do to protect their rights, it is important to have a clear picture of the risks involving them in the countries where we have

operations. We have updated our global internal policies with

special attention to Children's rights. In our manufacturing-plants, we have set up employee programs to support them in their caregiver's role (enhancing health and well-being or providing them decent work). We also focus our community investments mainly on Children. The final step is reporting about the progress we make in children's rights implementation.

Developed by UNICEF, the UN Global Compact and Save the Children – the Children's Rights and Business Principles are the first comprehensive set of principles to guide companies on the full range of actions they can take in the workplace, marketplace and community to respect and

support children's rights. More specifically, we enthusiastically welcomed the practical tool on children's rights in sustainability reporting that provides guidance to businesses on how to incorporate children's rights in their GRI-based reporting.

While writing our report and using the G4 guidelines this year, we could easily extend the guidelines to integrate children's rights into our sustainability measuring.

More info on www.childrenandbusiness.org

National Children's day in Thailand

Every year we organize a National Children's Day in our Thai factory. This year it took place on Saturday 12th Jan 2019. Games, gifts, toys, snack and lunch have been provided to employee's children. We are very proud on our Thai team to give 39 kids the time of their lives that day!



Assurance Statements



Statement of Sightholder Best Practice Principles for Rosy Blue NV and its Affiliates Compliance Status

Date: 26th April 2019

Rosy Blue NV and its Affiliates have been actively involved in the De Beers Best Practice Principles through the Rosy Blue NV and Rosy Blue India Sightholder Groups since the initial cycle in 2005.

As part of each annual cycle the Sightholder Groups have been required to submit self-assessment workbooks for all owned facilities. For the last few years they have also been required to submit for contractors with whom they represent 75% or more of their output.

These workbooks are reviewed by SGS for completeness and evidence is tested in relation to the compliance status declared. Further, a sample of facilities is visited to conduct a full on-site verification.

In addition, Rosy Blue NV is part of the De Beers Forevermark programme which requires all facilities used in the production of diamonds that are to be inscribed to be audited on an annual basis both for pipeline integrity and for compliance with the Best Practice Principles.

For the 2018 cycle, this resulted in 05 workbook reviews and 02 visits. No material breaches were found as part of this verification and they are compliant with the requirements of this programme and have provided corrective action plans where infringements were raised.

SGS has reviewed the summary of findings and statuses on Page 34 of the Rosy Blue Corporate Social Responsibility Report 2018 and can confirm that the information provided is aligned to the outcomes of the third-party verification activities undertaken as part of the Best Practice Principles programme.

Signed:

Effie Marinos
Technical Governance Manager



Statement of Sightholder Best Practice Principles for Rosy Blue (India) Pvt. Ltd and its Affiliates Compliance Status

Date: 26th April 2019

Rosy Blue (India) Pvt. Ltd and its Affiliates have been actively involved in the De Beers Best Practice Principles through the Rosy Blue NV and Rosy Blue India Sightholder Groups since the initial cycle in 2005.

As part of each annual cycle the Sightholder Groups have been required to submit self-assessment workbooks for all owned facilities. For the last few years they have also been required to submit for contractors with whom they represent 75% or more of their output.

These workbooks are reviewed by SGS for completeness and evidence is tested in relation to the compliance status declared. Further, a sample of facilities is visited to conduct a full on-site verification.

For the 2018 cycle, this resulted in 03 workbook reviews and 03 visits. No material breaches were found as part of this verification and they are compliant with the requirements of this programme and have provided corrective action plans where infringements were raised.

SGS has reviewed the summary of findings and statuses on Page 34 of the Rosy Blue Corporate Social Responsibility Report 2018 and can confirm that the information provided is aligned to the outcomes of the third-party verification activities undertaken as part of the Best Practice Principles programme.

Signed:

Effie Marinos
Technical Governance Manager

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Training and Education	G4-LA9	Page 35	
	G4-DMA	Page 37	
	G4-LA14	Page 37	Partially
Supplier Assessment for Labor Practices	G4-LA15	Page 37	Partially
HUMAN RIGHTS			
Investments	G4-HR2		
Assessment P	G4-DMA	Page 37	
	G4-HR9	Page 37	Partially, not total number
Supplier Assessment for Impacts on human rights	G4-DMA	Page 37	
	G4-HR10	Page 37	
SOCIETY			
Anti-corruption	G4-SO3	Page 18-19	
Supplier Assessment for Impacts on Society	G4-DMA	Page 30	
	G4-SO9	Page 11	
	G4-SO10	Page 11	
PRODUCT RESPONSIBILITY			
Product and Service Labeling	G4-DMA	Page 31-32	
	G4-PR3	Page 32	Partially
	G4-PR4	Page 32	
Marketing Communications	G4-PR6	Page 3; 32	



About this report

Reporting on our performance

This report has been prepared in accordance to the core option of the Global Reporting Initiative G4 guidelines. In addition this report serves as Communication On Progress for the UN Global Compact.

Assurance

To ensure the credibility of the report content on social audit results, this report has received independent third party assurance. The assurance statement is included and indication of assurance is in the GRI content index.

Reporting period

The scope of this annual report covers a 12 months reporting cycle, from 01/04/2018 until 30/03/2019, except where specifically indicated. We believe it is important to only focus on relevant changes and core matters.

Reporting scope

In this report we cover activities of the Rosy Blue Business Alliance, composed of:

Rosy Blue (India) Pvt Ltd and its subsidiaries in 3 countries, covering 8 entities, hereafter called Rosy Blue (I) (Rosy Blue India), headquartered in Mumbai, India

Rosy Blue Investments Sàrl and its subsidiaries in 9 countries, covering 17 entities, hereafter called Rosy Blue (NI) (Rosy Blue Non-India), headquartered in Antwerp, Belgium

Rosy Blue (I) and Rosy Blue (NI) are legally independent from one another and constitute the Rosy Blue Business Alliance. Rosy Blue is a common trade name used by the Business Alliance entities, which are distinct, privately owned and independently managed. In this report we refer to the Rosy Blue Business Alliance as 'Rosy Blue' for convenience reasons.

“*The term “subsidiary” is used to cover all types of parent companies and affiliate organizational structures.

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